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# Maryland Health Benefit Exchange

## Request for Proposals

### Study of Exchange Operating Model

**Issue Date: August 5, 2011**

#### NOTICE

Prospective Offerors who have received this document from the Maryland Health Benefit Exchange's web site or eMarylandMarketplace.com, or who have received this document from a source other than the Procurement Officer, and who wish to assure receipt of any changes or additional materials related to this RFP, should immediately contact the Procurement Officer and provide their name and mailing address so that addenda to the RFP or other communications can be sent to them.

**Minority Business Enterprises are Encouraged to Respond to this Solicitation**

## MARYLAND HEALTH BENEFIT EXCHANGE

### KEY INFORMATION SUMMARY SHEET

#### Request For Proposals

#### Study of Exchange Operating Model

<b>Request For Proposals:</b>	Study of Exchange Operating Model
<b>Issue Date:</b>	August 5, 2011
<b>Procurement Officer:</b>	Wendy Kronmiller Chief of Staff/Assistant Secretary for Regulatory Affairs Department of Health & Mental Hygiene Office of the Secretary 201 West Preston Street 5th Floor Baltimore, MD 21201-2301 Phone Number: 410-767-0938 Email: wkronmiller@dhmh.state.md.us
<b>Contract Monitor:</b>	Charles J. Milligan, Jr. Deputy Secretary of Health Care Financing Department of Health and Mental Hygiene 201 West Preston Street 5th Floor Baltimore, MD 21201-2301 Phone number: 410-767-4139 E-mail: cmilligan@dhmh.state.md.us
<b>Procurement Method:</b>	Competitive Proposals for a Fixed Price with Adjustments
<b>Proposals are to be sent to:</b>	Maryland Health Benefit Exchange c/o Maryland Department of Health and Mental Hygiene 201 West Preston Street, 5 <sup>th</sup> Floor Baltimore, MD 21201 Attention: Jill Spector
<b>Closing Date and Time:</b>	4:00 PM Local Time on August 26, 2011
<b>MBE Subcontracting Goal:</b>	0%

## SECTION 1 – BACKGROUND

### A. Introduction.

On April 12, 2011, Governor O'Malley signed into law the Maryland Health Benefit Exchange Act (Act) that established the Exchange as a public corporation and an independent unit of State government. The Act requires the Maryland Health Benefit Exchange (Exchange) to study and make recommendations on several issues, including the operating model—whether the Exchange should engage in selective contracting and multistate or regional contracting. The Exchange created an advisory committee on the operating model and insurance market rules and risk selection to assist in its consideration of options related to the feasibility and desirability of engaging in selective contracting and multistate or regional contracting, and the rules under which health benefit plans should be offered inside and outside of the Exchange, including risk selection, reinsurance, and risk corridors. The Exchange is seeking assistance from a Contractor to provide analytic support to a study on broad policy issues related to the operating model, and any other related topics the Contractor deems appropriate.

### B. Background.

A primary activity of the Exchange will be to certify and make available qualified health plans (QHPs) to individuals and small businesses. Federal health reform specifies the basic requirements for a health plan to be certified as “qualified” by an Exchange. To be certified, a plan must provide the essential benefits package required under the ACA; obtain prior approval of premium rates and contract language from the State Insurance Commissioner; provide at least a “bronze” level of coverage; and ensure that cost-sharing requirements do not exceed the limits established under the ACA.

An Exchange has the option of adding *no* additional certification requirements outside of those required by federal health care reform. If Maryland's Exchange included only the required elements, it essentially would act as a clearinghouse—a place for individuals and small businesses to buy insurance and a place for insurers to sell qualified health plans. This potentially could maximize participation in the Exchange by allowing all qualified health plans to be sold in the Exchange.

Conversely, an Exchange could undertake additional regulatory and market functions. These additional functions would be incorporated into the Exchange's role in an attempt to meet certain public policy objectives. For example, in an attempt to increase competition and quality and decrease cost, the Exchange could limit the number of health plans available, by allowing only the highest quality plans to be available through the Exchange after a competitive procurement. The Exchange could also negotiate with insurers over items such as benefits and premiums. Other additional functions could include, but are not limited to:

- Coordinating purchasing and procurement decisions with Medicaid and CHIP, so that consumers have continuity with the same plan and provider network in transitions across eligibility for Exchange subsidies and Medicaid HealthChoice managed care organizations (MCOs).
- Rewarding adoption of new tools (e.g., electronic health records) in purchasing decisions.
- Requiring additional reporting from insurers aimed at providing consumers and the public with information on quality and cost.
- Actively eliciting information from consumers covered through Exchange products in order to remove barriers and modify future purchasing decisions based on consumer needs and consumer feedback.

In establishing the Maryland Health Benefit Exchange, the Maryland General Assembly requires the Exchange to provide a report by December 23, 2011 that studies and makes recommendations on the Exchange operating model, including:

1. Selective contracting, either through competitive bidding or a negotiation process similar to that used by large employers, to reduce health care costs and improve quality of care by certifying only those health benefit plans that meet certain requirements such as:
  - promoting patient-centered medical homes,
  - adopting electronic health records,
  - meeting minimum outcome standards,
  - implementing payment reforms to reduce medical errors and preventable hospitalizations,
  - reducing disparities,
  - ensuring adequate reimbursements,
  - enrolling low-risk members and underserved populations,
  - managing chronic conditions and promoting healthy consumer lifestyles,
  - value-based insurance design, and
  - adhering to transparency guidelines and uniform price and quality reporting.
2. Multistate or regional contracting.

Maryland has taken some preliminary steps toward gaining public input on the Exchange operating model. In 2010, Maryland convened the Health Care Reform Coordinating Council, which included a workgroup on the Exchange and Insurance Markets. This workgroup gained public input on issues such as whether the Exchange should perform only the minimum functions required under federal law, or whether and what kinds of functions it should perform beyond those that are required; whether Maryland should pursue regional contracting; whether to require commercial insurers selling products through the Exchange to also participate in Medicaid, and conversely whether to require Medicaid managed care organizations (MCOs) to also offer a product in the Exchange.<sup>1</sup> A background paper on issues related to contracting and purchasing arrangements is currently being developed under Exchange Planning grant funds; the paper will provide an initial and broad overview of Maryland's purchasing arrangements in the public sector.

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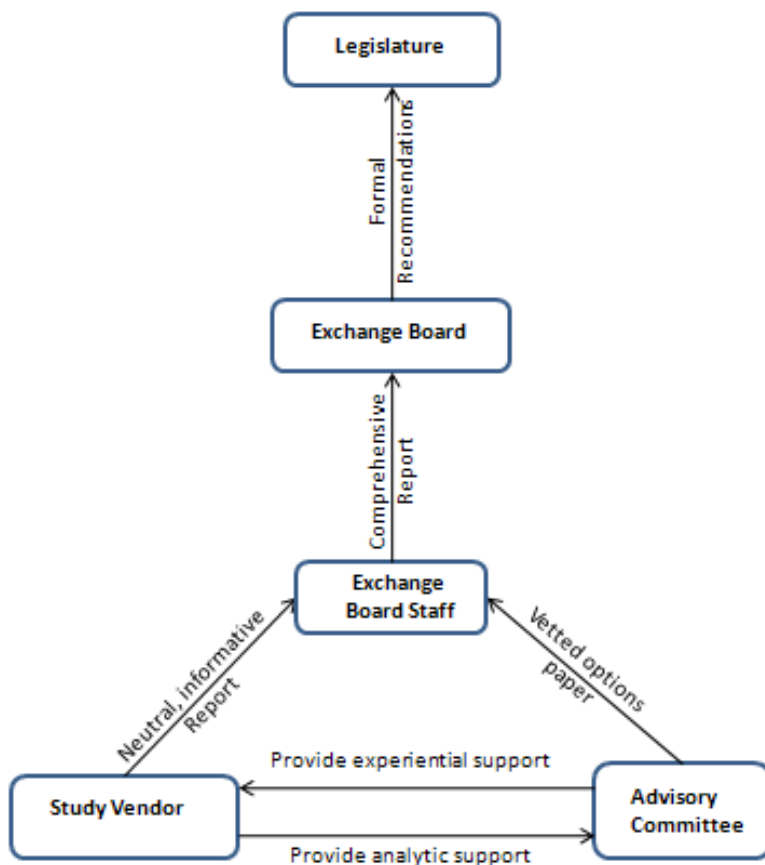
<sup>1</sup> <http://dhmh.maryland.gov/healthreform/workgroups/index.html>

C. Contractor Responsibilities.

The Exchange Board of Directors is seeking a Contractor to provide analytic support as the Exchange moves forward. The Contractor selected through this RFP process, in partnership with the Operating Model and Insurance Rules Advisory Committee, will build upon the progress that has already been made to help the Exchange Board make recommendations regarding the Exchange operating model (See Figure 1).

The Contractor will provide the Exchange Board and advisory committee with analytic support to foster informed discussions. By November 15, 2011, the Contractor will publish neutral, informative final report of the options, and objective strengths and weaknesses of each. This report, along with deliverables produced by the advisory committee, will be incorporated into the Exchange's December 23, 2011 report making recommendations to the Maryland General Assembly.

Figure 1: Legislative Study Entities



The Exchange intends to make a single award to the Offeror whose proposal is deemed to be the most advantageous to the State. Offerors, either directly or through their sub-contractor(s), must be able to provide all services and meet all of the requirements requested in this solicitation.

Note. This RFP is contingent upon Maryland's award of the Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges Grant on or about August 14, 2011.

## SECTION 2 – SCOPE OF WORK

- A. The Exchange seeks assistance for analytic support for the Exchange to study and make recommendations regarding the Exchange operating model, including:
1. The feasibility and desirability of the Exchange engaging in selective contracting, either through competitive bidding or a negotiation process similar to that used by large employers, to reduce health care costs and improve quality of care by certifying only those health benefit plans that meet certain requirements such as:
    - a. Promoting patient-centered medical homes;
    - b. Adopting electronic health records;
    - c. Meeting minimum outcome standards;
    - d. Implementing payment reforms to reduce medical errors and preventable hospitalizations;
    - e. Reducing disparities;
    - f. Ensuring adequate reimbursements;
    - g. Enrolling low-risk members and underserved populations;
    - h. Managing chronic conditions and promoting healthy consumer lifestyles;
    - i. Value-based insurance design; and
    - j. Adhering to transparency guidelines and uniform price and quality reporting.
  2. The feasibility and desirability of the Exchange engaging in multistate or regional contracting.

In developing the study questions, the Offeror should provide analysis and summary of:

1. Current practices in selective contracting, within Maryland and nationally, that utilize the selective contracting criteria specified in the legislation. This analysis is to include purchasing by self-funded employers, large carriers, and state-administered purchasing such as state employees, and Medicaid programs.
2. Current initiatives among Maryland carriers to improve health care quality and reduce health care costs.
3. Maryland initiatives related to quality improvement, cost reduction, and promotion of consumer choice.
4. Similarities and differences among health plan requirements for networks and quality in the Maryland individual, small group, and Medicaid markets.

5. Current cross-state and regional insurance markets, including participation by Maryland citizens in regional (within the state) carriers, and in multi-state carriers and service delivery patterns within the state and across state lines.
6. Any other study questions the Offeror determines, in its professional judgment, is necessary for the Exchange to consider in order to design the Exchange operating model, including but not limited to:
  - a. Interest among other states in multistate arrangements;
  - b. Comparison of Maryland's market with other states in terms of carriers, market and rating rules, size and cost; and
  - c. Assessment of the potential impact on State regulation of insurance contracts and rates if Maryland enters a regional or multi-state compact.

All analyses shall include consideration of the population and environment of Maryland and not just national information, and should use existing data sources, if available.

#### B. Deliverables.

1. Final Approved Work Plan. The Offeror selected shall propose a work plan that sets forth a timeline for completing the deliverables, including appropriate input from the related advisory committee. The work plan will be finalized with the input of the Contract Monitor. The work plan should propose how to organize the issues to be addressed in the deliverables to efficiently and effectively address all of the study questions identified in Section 2(A), as well as any other study questions the Offeror determines, in its professional judgment, are necessary for consideration. Unless otherwise specified, the work plan should identify whether each deliverable will be produced as a comprehensive report, issue brief, power point or some other method. The work plan should consider the likely release of federal guidance that may affect the Exchange operating model. The work plan must identify opportunities for gaining feedback on analysis and options from Maryland stakeholders, the Exchange Board, and Advisory Committees.
2. Background and Quantitative Analysis. The Offeror will be required to develop background and quantitative analyses that identify and examine key issues for consideration. The analyses should be consistent with the work plan.
3. Options Development. The Offeror selected will develop options for the Exchange Board and/or Advisory Committees to consider. The presentation of the options should be sufficiently developed to foster a transparent dialogue about Maryland policy decisions. The options should be consistent with the work plan.
4. Maryland Specific Analysis of Options. The Offeror selected will build on the background analysis to provide neutral analysis and Maryland specific analysis of options to support the Exchange Board and/or advisory committees in the development and consideration of options. The Maryland specific analysis of options should be consistent with the work plan described in Section 2(B)(1) and must minimally address all of the study questions identified in Section 2(A)



and any other study questions and considerations the successful contractor determines, in its professional judgment, are necessary for the Exchange to consider.

5. Prepare a final report to the Contract Monitor and the Operating Model and Insurance Rules Advisory Committee. The final report should synthesize the technical assessment of private sector capability; background and quantitative analysis; options and Maryland specific analysis of options.
6. At the request of the Contract Monitor, the Offeror selected will make presentations and engage with the relevant advisory committee and Board meetings, and participate in any necessary conference calls and meetings. The contractor's engagement with the Exchange Advisory Committee on the Operating Model and Insurance Rules is expected to be frequent during September, October and November of 2011.
7. During the term of the contract, travel to Annapolis, Maryland and provide testimony to the General Assembly, its legislative committees, or other entities during the regular 2012 session and any applicable special session(s), as requested by the Contract Monitor.
8. Provide support to the Exchange for future analytic work that may be needed in response to potential legislative proposals during the 2012 session of the Maryland General Assembly and/or forthcoming federal guidance.

The items required to be provided shall be delivered in accordance with the following schedule:

<b><u>Action Item</u></b>	<b><u>Due Date</u></b>
Project Start Date	Immediately after the Notice to Proceed is issued
Final Approved Work Plan	7 calendar days from the date that the Notice to Proceed is issued
Background and Quantitative Analysis	In accordance with approved work plan
Options Development	In accordance with approved work plan
Maryland Specific Analysis of Options	In accordance with approved work plan
Final Report	In accordance with approved work plan but no later than November 7, 2011
Future Analytic Work	As needed until April 30, 2012

In addition to these deliverables, the successful Contractor will update the Contract Monitor weekly on the progress and status of the work being performed under the Contract, and any findings, issues, and conclusions. These updates shall be provided through written status reports and/or discussions. Discussions may be held either in person or by telephone, at the mutual convenience of both parties.

- C. **Optional Task Orders.** In addition to the scope of services specified in Section 2(A)-(B), which are included in the fixed-price contract, the Contractor shall provide additional related out-of-scope services that arise during the term of this contract, as requested by the Contract Monitor, at the wage and hour rates set forth in the Attachment A.

- a. Task Orders will govern services required by the Exchange apart from those identified in Section 2(A) above. The Task Order process shall apply only to these activities and not for the requirements of Section 2(A) – (B) of this RFP.
  - b. The Contract Monitor will initiate a Task Order Request for Proposals (TORFP). A TORFP will define the scope and requirements of the specific task to be performed and identify the time for the Contractor to submit a proposed response to the TORFP.
  - c. Upon receiving the TORFP, the Contractor shall provide a proposal in response to the TORFP's requirements. At a minimum, the proposal shall include a proposed approach to satisfying the TORFP's requirements, proposed schedule for completion or implementation, proposed total price, and individual personnel prices based on Attachment A.
  - d. Based on the Contractor's proposal, the Contract Monitor will prepare a Task Order Agreement. The Contractor shall begin work on a Task Order Agreement only upon receipt of a notice to proceed.
  - e. Task Order work and invoicing shall be performed by the Contractor in accordance with the terms of the Task Order Agreement.
- D. Contract Personnel Expertise. The Offeror shall describe staff including the organization structure with staffing levels and responsibilities. The Contractor shall identify the single point of contact for the Exchange who will serve as the Contractor's project manager or liaison for managing contractual issues. The Offeror shall demonstrate by resumes provided that the proposed personnel are qualified to perform in the job specified. Key personnel should be qualified to give testimony. Proposed personnel may not be substituted without the prior agreement of the Contract Monitor.
- E. Invoicing and Payment Type
- a. The contract resulting from this RFP shall be a firm fixed price with respect to the services identified in Section 2(A)-(B), and a time and materials contract with respect to Task Order services identified in Section 2(C).
  - b. For services rendered pursuant to the fixed price portion of the contract and unless otherwise directed by the Contract Monitor, all invoices shall be submitted on a monthly basis and shall specify the work performed that month.
  - c. The Exchange reserves the right to reduce or withhold contract payment in the event the Contractor does not provide the Exchange with all required deliverables within the time frame specified in the contract or in the event that the contractor otherwise materially breaches the terms and conditions of the contract until such time as the contractor brings itself into full compliance with the contract. Any action on the part of the Exchange, or dispute of action by the contractor, shall be in accordance with Exchange's Interim Procurement Policy.

## SECTION 4 – EVALUATION CRITERIA

- A. Evaluation of proposals will be based on the criteria set forth below. The Contract(s) resulting from this RFP will be awarded to the Offeror(s) that is most advantageous to the Exchange considering price and the technical factors. In making this determination, technical factors will receive greater weight than price factors. The evaluation team will determine which proposals satisfy the requirements of this RFP by considering the following criteria on a “points earned” basis, as follows:
- a. Reasonableness and likely success of Proposed Work Plan – 30 points
  - b. Experience and qualifications of proposed key staff with similar projects and knowledge of health plan contracting practices and health care quality improvement initiatives, including experience with commercial health insurance and Medicaid – 30 points
  - c. Corporate qualifications – 20 points
  - d. Cost proposal – 20 points

# Maryland Health Benefit Exchange

## Request for Proposals

### Study on Public Relations and Advertising

**Issue Date: August 5, 2011**

#### NOTICE

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**Minority Business Enterprises are Encouraged to Respond to this Solicitation**

## **MARYLAND HEALTH BENEFIT EXCHANGE**

### **KEY INFORMATION SUMMARY SHEET**

#### **Request For Proposals**

#### **Study on Public Relations and Advertising**

**Request For Proposals:** Study on Public Relations and Advertising

**Issue Date:** August 5, 2011

**Procurement Officer:** Wendy Kronmiller  
Chief of Staff/Assistant Secretary for Regulatory Affairs  
Department of Health & Mental Hygiene  
Office of the Secretary  
201 West Preston Street  
5th Floor  
Baltimore, MD 21201-2301  
Phone Number: 410-767-0938  
Email: wkronmiller@dhmh.state.md.us

**Contract Monitor:** Carolyn Quattrocki  
Executive Director  
Governor's Office of Health Care Reform  
100 State Circle  
Annapolis, MD 21401  
(410) 974-3336  
cquattrocki@gov.state.md.us

**Procurement Method:** Competitive Proposals for a Fixed Price with Adjustments

**Proposals are to be sent to:** Maryland Health Benefit Exchange  
c/o Maryland Department of Health and Mental Hygiene  
201 West Preston Street, 5<sup>th</sup> Floor  
Baltimore, MD 21201  
Attention: Jill Spector

**Closing Date and Time:** 4:00 PM Local Time on August 26, 2011

**MBE Subcontracting Goal:** 0%

## SECTION 1 – BACKGROUND

### A. Introduction.

On April 12, 2011, Governor O'Malley signed into law the Maryland Health Benefit Exchange Act (Act) that established the Exchange as a public corporation and an independent unit of State government. The Act requires the Maryland Health Benefit Exchange (Exchange) to study and make recommendations on several issues, including how the Exchange should conduct its public relations and advertising campaign. The Exchange created an advisory committee on Navigator and Enrollment Assistance that is charged with considering options for the Exchange's outreach efforts as well as its Navigator Program and enrollment efforts. The Exchange is seeking assistance from a Contractor to provide support to a study on the Exchange's public relations and advertising efforts.

### B. Background.

State implementation of health care reform is a complex task and the Maryland Health Benefit Exchange will create a new avenue for individuals and small businesses to get health care coverage. It is essential that the public understands the new options available to them through the Exchange and how to access them. The federal government recognizes the importance of outreach efforts and has identified Outreach as a core business function of the Exchange with milestones requiring states to conduct market analyses and develop outreach plans for consumers, small employers, as well as other key stakeholders (such as providers and insurance carriers).

In establishing the Maryland Health Benefit Exchange, the Maryland General Assembly requires the Exchange to provide a report by December 23, 2011 that studies and makes recommendations on how the Exchange should conduct its public relations and advertising campaign, including what type of solicitation, if any, of individual consumers or employers, would be desirable and appropriate. The subject of this RFP is to assist the Exchange in developing recommendations on its public relations and advertising campaign. The specific question related to what type of solicitation, if any, of individual consumers or employers, would be desirable and appropriate will be addressed by a separate vendor considering options for the Navigator Program.

Maryland has made progress in planning for the education and outreach needed to inform health care consumers about the Exchange and new coverage options available. The HCRCC recognized that engaging stakeholders and consumers in health reform implementation and educating the public about its impact are essential. One of the HCRCC's public workgroups was devoted to gaining input on education and outreach related to health reform.<sup>2</sup> More recently, through private foundation support, Maryland refined messaging around ACA implementation based on findings from professionally-conducted focus groups.

Looking ahead, the Governor's Office of Health Care Reform will manage Maryland's centralized strategy for communications, and will bring together a public/private coalition to help shape and support those efforts. The Executive Director of the Governor's Office of Health Care Reform will serve as the Contract Monitor to coordinate outreach planning activities between the Exchange and the Office of Health Reform.

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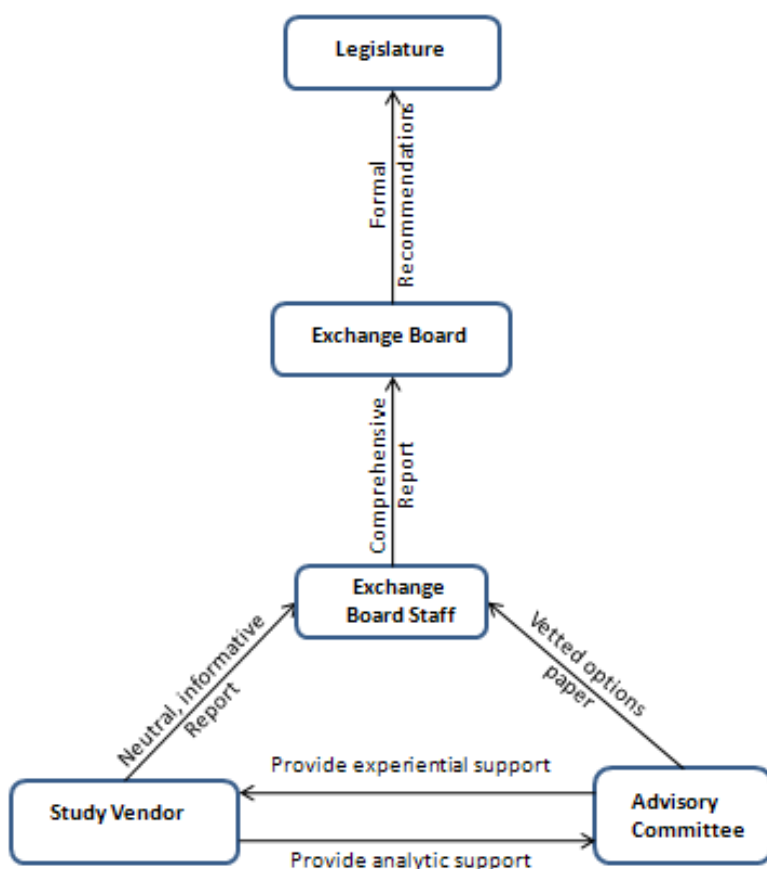
<sup>2</sup> HCRCC Education and Outreach Workgroup White Paper. October 31, 2010. Available at <http://dhmh.maryland.gov/healthreform/pdf/Education/FinalReportEducationWorkgroup.pdf>

C. Contractor Responsibilities.

The Exchange Board of Directors is seeking a Contractor to provide analytic support as the Exchange moves forward. The Contractor selected through this RFP process, in partnership with the Navigator and Enrollment Committee, will build upon the progress that has already been made to help the Exchange Board make recommendations regarding public relations and advertising (See Figure 1).

The Contractor will provide the Exchange Board and advisory committee with analytic support to foster informed discussions. By November 15, 2011, the Contractor will publish neutral, informative final report of the options, and objective strengths and weaknesses of each. This report, along with deliverables produced by the advisory committee, will be incorporated into the Exchange's December 23, 2011 report making recommendations to the Maryland General Assembly.

Figure 1: Legislative Study Entities



The Exchange intends to make a single award to the Offeror whose proposal is deemed to be the most advantageous to the State. Offerors, either directly or through their sub-contractor(s), must be able to provide all services and meet all of the requirements requested in this solicitation.

Note. This RFP is contingent upon Maryland's award of the Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges Grant on or about August 14, 2011.

## **SECTION 2 – SCOPE OF WORK**

- A. The Exchange seeks assistance for analytic support for the Exchange to study and make recommendations regarding how the Exchange should conduct its public relations and advertising campaign. All analyses shall include consideration of the population and environment of Maryland and not just national information, and should use existing data sources, if available.
- B. Deliverables.
1. Final Approved Work Plan: The Offeror selected shall propose a work plan that sets forth a timeline for completing the deliverables, including appropriate input from the related advisory committee. The work plan will be finalized with the input of the Contract Monitor. The work plan should propose how to organize the issues to be addressed in the deliverables to efficiently and effectively address all of the study questions identified in Section 2(A), as well as any other study questions the Offeror determines, in its professional judgment, are necessary for consideration. Unless otherwise specified, the work plan should identify whether each deliverable will be produced as a comprehensive report, issue brief, power point or some other method. The work plan should consider the likely release of federal guidance that may affect the public relations and advertising options. The work plan must identify opportunities for gaining feedback on analysis and options from Maryland stakeholders, the Exchange Board, and Advisory Committees.
  2. Environmental Scan: Environmental Scan: The contractor will conduct a market analysis and environmental scan to assess communications needs, compile existing Exchange communications materials from federal and other sources.
  3. Options Development: The Offeror selected will develop options for the Exchange Board and/or Advisory Committees to consider. The presentation of the options should be sufficiently developed to foster a transparent dialogue about Maryland policy decisions. The options should be consistent with the work plan.
  4. Maryland Specific Analysis of Options: The Offeror selected will provide neutral analysis and Maryland specific analysis of options to support the Exchange Board and/or advisory committees in the development and consideration of options. The Maryland specific analysis of options should be consistent with the work plan described in Section 2(B)(1) and must minimally address all of the study questions identified in Section 2(A) and any other study questions and considerations the successful contractor determines, in its professional judgment, are necessary for the Exchange to consider.
  5. Final Report: Prepare a final report to the Contract Monitor and the Navigator and Enrollment Advisory Committee. The final report should synthesize the environmental scan, options and Maryland specific analysis of options.
  6. Communications Materials: The contractor will develop materials to support the Exchange's outreach efforts during the grant period.
  7. Advisory Committees: At the request of the Contract Monitor, the Offeror selected will make presentations and engage with the relevant advisory committee and Board meetings, and



participate in any necessary conference calls and meetings. The contractor's engagement with the Exchange Advisory Committee on Navigator and Enrollment is expected to be frequent during October and November of 2011.

8. Availability: During the term of the contract, travel to Annapolis, Maryland and provide testimony to the General Assembly, its legislative committees, or other entities during the regular 2012 session and any applicable special session(s), as requested by the Contract Monitor.
9. Future Support: Provide support to the Exchange for future analytic work that may be needed in response to potential legislative proposals during the 2012 session of the Maryland General Assembly and/or forthcoming federal guidance.

The items required to be provided shall be delivered in accordance with the following schedule:

<b><u>Action Item</u></b>	<b><u>Due Date</u></b>
Project Start Date	Immediately after the Notice to Proceed is issued
Final Approved Work Plan	7 calendar days from the date that the Notice to Proceed is issued
Environmental Scan	In accordance with approved work plan, but no later than October 17, 2011
Options Development	In accordance with approved work plan
Maryland Specific Analysis of Options	In accordance with approved work plan
Final Report	In accordance with approved work plan, but no later than November 7, 2011
Communications Materials	In accordance with approved work plan
Future Analytic Work	As needed until April 30, 2012

In addition to these deliverables, the successful Contractor will update the Contract Monitor weekly on the progress and status of the work being performed under the Contract, and any findings, issues, and conclusions. These updates shall be provided through written status reports and/or discussions. Discussions may be held either in person or by telephone, at the mutual convenience of both parties.

- C. Optional Task Orders. In addition to the scope of services specified in Section 2(A)-(B), which are included in the fixed-price contract, the Contractor shall provide additional related out-of-scope services that arise during the term of this contract, as requested by the Contract Monitor, at the wage and hour rates set forth in the Attachment A.
  - a. Task Orders will govern services required by the Exchange apart from those identified in Section 2(A) above. The Task Order process shall apply only to these activities and not for the requirements of Section 2(A) – (B) of this RFP.
  - b. The Contract Monitor will initiate a Task Order Request for Proposals (TORFP). A TORFP will define the scope and requirements of the specific task to be performed and identify the time for the Contractor to submit a proposed response to the TORFP.

- c. Upon receiving the TORFP, the Contractor shall provide a proposal in response to the TORFP's requirements. At a minimum, the proposal shall include a proposed approach to satisfying the TORFP's requirements, proposed schedule for completion or implementation, proposed total price, and individual personnel prices based on Attachment A.
  - d. Based on the Contractor's proposal, the Contract Monitor will prepare a Task Order Agreement. The Contractor shall begin work on a Task Order Agreement only upon receipt of a notice to proceed.
  - e. Task Order work and invoicing shall be performed by the Contractor in accordance with the terms of the Task Order Agreement.
- D. Contract Personnel Expertise. The Offeror shall describe staff including the organization structure with staffing levels and responsibilities. The Contractor shall identify the single point of contact for the Exchange who will serve as the Contractor's project manager or liaison for managing contractual issues. The Offeror shall demonstrate by resumes provided that the proposed personnel are qualified to perform in the job specified. Key personnel should be qualified to give testimony. Proposed personnel may not be substituted without the prior agreement of the Contract Monitor.
- E. Invoicing and Payment Type
  - a. The contract resulting from this RFP shall be a firm fixed price with respect to the services identified in Section 2(A)-(B), and a time and materials contract with respect to Task Order services identified in Section 2(C).
  - b. For services rendered pursuant to the fixed price portion of the contract and unless otherwise directed by the Contract Monitor, all invoices shall be submitted on a monthly basis and shall specify the work performed that month.
  - c. The Exchange reserves the right to reduce or withhold contract payment in the event the Contractor does not provide the Exchange with all required deliverables within the time frame specified in the contract or in the event that the contractor otherwise materially breaches the terms and conditions of the contract until such time as the contractor brings itself into full compliance with the contract. Any action on the part of the Exchange, or dispute of action by the contractor, shall be in accordance with Exchange's Interim Procurement Policy.

## SECTION 4 – EVALUATION CRITERIA

A. Evaluation of proposals will be based on the criteria set forth below. The Contract(s) resulting from this RFP will be awarded to the Offeror(s) that is most advantageous to the Exchange considering price and the technical factors. In making this determination, technical factors will receive greater weight than price factors. The evaluation team will determine which proposals satisfy the requirements of this RFP by considering the following criteria on a “points earned” basis, as follows:

- a. Reasonableness and likely success of Proposed Work Plan - 30 points
- b. Qualifications and experience of proposed staff with similar projects and their public relations experience and knowledge and familiarity with populations most likely to be served by the Exchange – 30 points
- c. Corporate qualifications – 20 points
- d. Cost proposal – 20 points

# Maryland Health Benefit Exchange

## Request for Proposals

### Financing the Exchange

**Issue Date: August 5, 2011**

#### NOTICE

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**Minority Business Enterprises are Encouraged to Respond to this Solicitation**

## MARYLAND HEALTH BENEFIT EXCHANGE

### KEY INFORMATION SUMMARY SHEET

#### Request For Proposals

#### Financing the Exchange

<b>Request For Proposals:</b>	Financing the Exchange
<b>Issue Date:</b>	August 5, 2011
<b>Procurement Officer:</b>	Wendy Kronmiller Chief of Staff/Assistant Secretary for Regulatory Affairs Department of Health & Mental Hygiene Office of the Secretary 201 West Preston Street 5th Floor Baltimore, MD 21201-2301 Phone Number: 410-767-0938 Email: wkronmiller@dhmh.state.md.us
<b>Contract Monitor:</b>	Beth Sammis Deputy Commissioner Maryland Insurance Administration Office of the Commissioner 200 Saint Paul Place Suite 2700 Baltimore, MD 21202-2004 Phone Number: 410-468-2002 Email: bsammis@mdinsurance.state.md.us
<b>Procurement Method:</b>	Competitive Proposals for a Fixed Price with Adjustments
<b>Proposals are to be sent to:</b>	Maryland Health Benefit Exchange c/o Maryland Department of Health and Mental Hygiene 201 West Preston Street, 5 <sup>th</sup> Floor Baltimore, MD 21201 Attention: Jill Spector
<b>Closing Date and Time:</b>	4:00 PM Local Time on August 26, 2011
<b>MBE Subcontracting Goal:</b>	0%

## SECTION 1 – BACKGROUND

### A. Introduction.

On April 12, 2011, Governor O'Malley signed into law the Maryland Health Benefit Exchange Act ("Act") that established the Exchange as a public corporation and an independent unit of State government. The Act requires the Maryland Health Benefit Exchange ("Exchange") to study and make recommendations on several issues, including Financing the Exchange. The Exchange created an advisory committee on Finance and Sustainability to assist in its consideration of options related to Financing the Exchange. The Exchange is seeking assistance from a Contractor to provide analytic support to a study on broad policy issues related to Financing the Exchange, and any other related topics the Contractor deems appropriate.

### B. Background.

Under the Affordable Care Act ("ACA"), states may establish a health insurance exchange. Although the Secretary of the United States Department of Health and Human Services ("HHS") will provide grant funds to the states to start an exchange, each state exchange must be self-sustaining beginning on January 1, 2015.

In establishing the Exchange, the Maryland General Assembly requires the Exchange to provide a report by December 23, 2011 that studies and makes recommendations on how the Exchange can be self-sustaining by 2015 in compliance with the ACA including:

1. A recommended plan for the budget of the Exchange;
2. The user fees, licensing fees, or other assessments that should be imposed by the Exchange to fund its operations, including what type of user fee cap or other methodology would be appropriate to ensure that the income of the Exchange comports with the expenditures of the Exchange; and
3. A recommended plan for how to prevent fraud, waste and abuse.

Maryland has taken some preliminary steps toward planning for the full implementation of the ACA. In 2010, Maryland convened the Health Care Reform Coordinating Council, which included workgroups on Exchange and Insurance Markets, Entry into Coverage, and Education and Outreach, and Eligibility and Enrollment as well as others. These workgroups gleaned public input on a variety of topics, but did not explore the feasibility and desirability of any mechanism for achieving the financial self-sufficiency of the Exchange or preventing fraud, waste and abuse.<sup>3</sup>

Other states have adopted mechanisms for achieving the financial self-sufficiency of an exchange. Massachusetts charges an assessment fee for all exchange participants. Connecticut charges dues to anyone participating in their exchange. Currently, California uses general revenue funds to fund its exchange.

A variety of funding mechanisms have been identified. These include:

- Charging a fee to carriers offering coverage through the exchange;
- Assessing a fee on consumers who purchase insurance through the exchange;

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<sup>3</sup> <http://dhmh.maryland.gov/healthreform/workgroups/index.html>

- Assessing fees on carriers, consumers, employers, producers, and/or navigators; or
- Advertising on the exchange's website.

The pro's and con's of these and other funding possibilities must be considered by the Exchange in order to identify the most efficacious and fair financing mechanism(s) to achieve self-sufficiency.

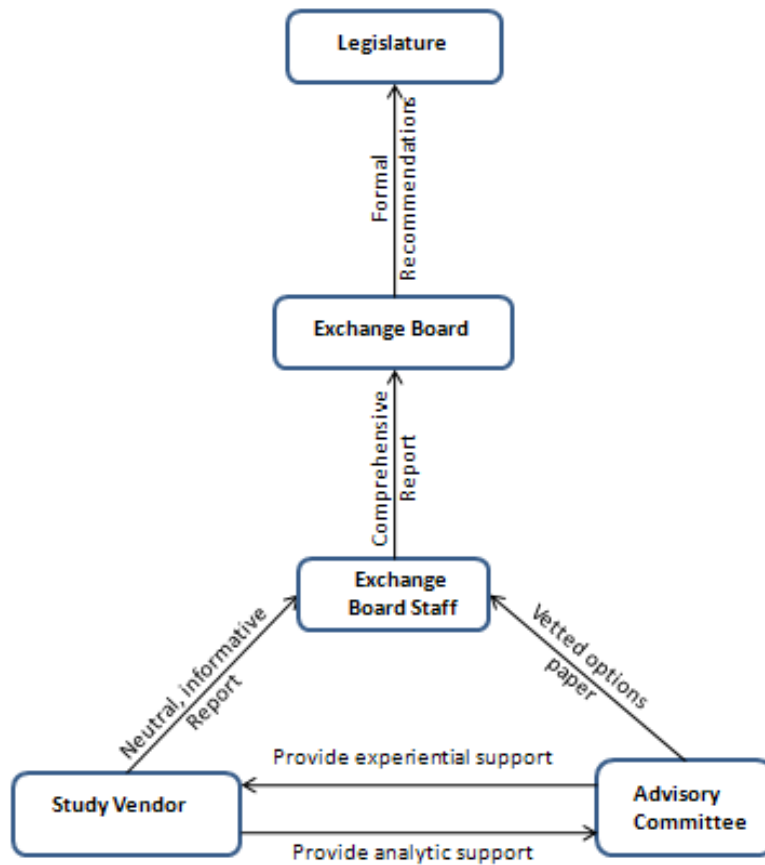
#### C. Contractor Responsibilities.

The Exchange Board of Directors is seeking a Contractor to provide analytic support as the Exchange moves forward. The Contractor selected through this RFP process, in partnership with the Finance and Sustainability Advisory Committee, will help the Exchange Board make decisions regarding financing, waste, fraud and abuse.

The Contractor will provide the Exchange Board and advisory committee with analytic support to foster informed discussions. By November 15, 2011, the Contractor will publish a neutral, informative final report of the options, and objective strengths and weaknesses of each. This report, along with deliverables produced by the advisory committee, will be incorporated into the Exchange's December 23, 2011 report making recommendations to the Maryland General Assembly.

The Contractor will provide the Exchange Board and advisory committee with analytic support to foster informed discussions. The general relationship among these entities is found in Figure 1 below. By November 15, 2011, the Contractor will publish neutral, informative final report of the options, and objective strengths and weaknesses of each. This report, along with deliverables produced by the advisory committee, will be incorporated into the Exchange's December 23, 2011 report making recommendations to the Maryland General Assembly.

Figure 1: Legislative Study Entities



The Exchange intends to make a single award to the Offeror whose proposal is deemed to be the most advantageous to the State. Offerors, either directly or through their sub-contractor(s), must be able to provide all services and meet all of the requirements requested in this solicitation.

Note. This RFP is contingent upon Maryland's award of the Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges Grant on or about August 14, 2011.



## SECTION 2 – SCOPE OF WORK

The Exchange seeks assistance for analytic support for the Exchange to study and make recommendations regarding Financing the Exchange, including:

1. A recommended plan for the budget of the Exchange;
2. The user fees, licensing fees, or other assessments that should be imposed by the Exchange to fund its operations, including what type of user fee cap or other methodology would be appropriate to ensure that the income of the Exchange comports with the expenditures of the Exchange; and
3. A recommended plan for how to prevent fraud, waste and abuse.

In addition, the Offeror should also address options for internal controls, including options for internal management systems to assure efficient use of resources and prevent waste, fraud and abuse to be audit ready and compliant with the Maryland Office of Legislative Audits, HHS and the General Accounting Office.

All analyses shall include consideration of the population and environment of Maryland and not just national information, and should use existing data sources, if available.

### A. Deliverables.

1. Final Approved Work Plan. The Offeror selected shall propose a work plan that sets forth a timeline for completing the deliverables, including appropriate input from the related advisory committee. The work plan will be finalized with the input of the Contract Monitor. The work plan should propose how to organize the issues to be addressed in the deliverables to efficiently and effectively address all of the study questions identified in Section 2(A), as well as any other study questions the Offeror determines, in its professional judgment, are necessary for consideration. Unless otherwise specified, the work plan should identify whether each deliverable will be produced as a comprehensive report, issue brief, power point or some other method. The work plan should consider the likely release of federal guidance that may affect the options for financing the Exchange and preventing waste, fraud and abuse. The work plan must identify opportunities for gaining feedback on analysis and options from Maryland stakeholders, the Exchange Board, and Advisory Committees.
2. Background and Quantitative Analysis. The Offeror will be required to develop background and quantitative analyses that identify and examine key issues for consideration. The analyses should be consistent with the work plan.
3. Options Development. The Offeror selected will develop options for the Exchange Board and/or Advisory Committees to consider. The presentation of the options should be sufficiently developed to foster a transparent dialogue about Maryland policy decisions. The options should be consistent with the work plan.
4. Prepare a final report to the Contract Monitor and the Finance and Sustainability Advisory Committee. The final report should synthesize the technical assessment of private sector capability; background and quantitative analysis; options and Maryland specific analysis of options.

5. At the request of the Contract Monitor, the Offeror selected will make presentations and engage with the relevant advisory committee and Board meetings, and participate in any necessary conference calls and meetings. The contractor's engagement with the Finance and Sustainability Advisory Committee is expected to be frequent during September, October and November of 2011.
6. During the term of the contract, travel to Annapolis, Maryland and provide testimony to the General Assembly, its legislative committees, or other entities during the regular 2012 session and any applicable special session(s), as requested by the Contract Monitor.
7. Provide support to the Exchange for future analytic work that may be needed in response to potential legislative proposals during the 2012 session of the Maryland General Assembly and/or forthcoming federal guidance.

The items required to be provided shall be delivered in accordance with the following schedule:

<b><u>Action Item</u></b>	<b><u>Due Date</u></b>
Project Start Date	Immediately after the Notice to Proceed is issued
Final Approved Work Plan	7 calendar days from the date that the Notice to Proceed is issued
Background and Quantitative Analysis	In accordance with approved work plan
Options Development	In accordance with approved work plan
Maryland Specific Analysis of Options	In accordance with approved work plan
Final Report	In accordance with approved work plan
Future Analytic Work	As needed until April 30, 2012

In addition to these deliverables, the successful Contractor will update the Contract Monitor weekly on the progress and status of the work being performed under the Contract, and any findings, issues, and conclusions. These updates shall be provided through written status reports and/or discussions. Discussions may be held either in person or by telephone, at the mutual convenience of both parties.

- B. Optional Task Orders. In addition to the scope of services specified in Section 2(A)-(B), which are included in the fixed-price contract, the Contractor shall provide additional related out-of-scope services that arise during the term of this contract, as requested by the Contract Monitor, at the wage and hour rates set forth in the Attachment A.
- a. Task Orders will govern services required by the Exchange apart from those identified in Section 2(A) above. The Task Order process shall apply only to these activities and not for the requirements of Section 2(A) – (B) of this RFP.
  - b. The Contract Monitor will initiate a Task Order Request for Proposals (TORFP). A TORFP will define the scope and requirements of the specific task to be performed and identify the time for the Contractor to submit a proposed response to the TORFP.
  - c. Upon receiving the TORFP, the Contractor shall provide a proposal in response to the TORFP's requirements. At a minimum, the proposal shall include a proposed approach to satisfying the TORFP's requirements, proposed schedule for completion or

implementation, proposed total price, and individual personnel prices based on Attachment A.

- d. Based on the Contractor's proposal, the Contract Monitor will prepare a Task Order Agreement. The Contractor shall begin work on a Task Order Agreement only upon receipt of a notice to proceed.
- e. Task Order work and invoicing shall be performed by the Contractor in accordance with the terms of the Task Order Agreement.

C. Contract Personnel Expertise. The Offeror shall describe staff including the organization structure with staffing levels and responsibilities. The Contractor shall identify the single point of contact for the Exchange who will serve as the Contractor's project manager or liaison for managing contractual issues. The Offeror shall demonstrate by resumes provided that the proposed personnel are qualified to perform in the job specified. Key personnel should be qualified to give testimony. Proposed personnel may not be substituted without the prior agreement of the Contract Monitor.

D. Invoicing and Payment Type

- a. The contract resulting from this RFP shall be a firm fixed price with respect to the services identified in Section 2(A)-(B), and a time and materials contract with respect to Task Order services identified in Section 2(C).
- b. For services rendered pursuant to the fixed price portion of the contract and unless otherwise directed by the Contract Monitor, all invoices shall be submitted on a monthly basis and shall specify the work performed that month.
- c. The Exchange reserves the right to reduce or withhold contract payment in the event the Contractor does not provide the Exchange with all required deliverables within the time frame specified in the contract or in the event that the contractor otherwise materially breaches the terms and conditions of the contract until such time as the contractor brings itself into full compliance with the contract. Any action on the part of the Exchange, or dispute of action by the contractor, shall be in accordance with Exchange's Interim Procurement Policy.

#### **SECTION 4 – EVALUATION CRITERIA**

- A. Evaluation of proposals will be based on the criteria set forth below. The Contract(s) resulting from this RFP will be awarded to the Offeror(s) that is most advantageous to the Exchange considering price and the technical factors. In making this determination, technical factors will receive greater weight than price factors. The evaluation team will determine which proposals satisfy the requirements of this RFP by considering the following criteria on a “points earned” basis, as follows:
- a. Corporate qualifications – 20 points
  - b. Qualifications and experience of proposed staff with similar projects, including knowledge of insurance markets and other applicable fields – 40 points
  - c. Reasonableness and likely success of Proposed Workplan – 25 points
  - d. Cost proposal – 15 points